

**Testimony of Westbrook Development Corporation
In Support of LD 2127**

Senator Curry, Representative Gere, and members of the Committee:

My name is Tyler Norod, and I am testifying on behalf of Westbrook Development Corporation (WDC), a nonprofit, mission-driven affordable housing developer based in Westbrook, Maine. WDC is the development arm of the Westbrook Housing Authority and has spent more than three decades working in partnership with MaineHousing, municipalities, lenders, and community stakeholders to deliver high-quality affordable and workforce housing across southern Maine.

We strongly support LD 2127 because it provides MaineHousing with the financial capacity it needs to continue meeting the State's affordable housing and first-time homebuyer goals under current market conditions. Simply put, MaineHousing's existing moral obligation bond limit no longer reflects today's market realities.

Across Maine, housing costs have escalated at a pace that far exceeds historical norms. Land prices, labor shortages, materials volatility, higher interest rates, and stricter building performance standards have collectively pushed total development costs to levels that were unthinkable just a few years ago. At the same time, the State has made a deliberate and commendable decision to significantly increase its investment in housing production. Those investments are working. They have created a robust pipeline of projects and a record volume of mortgage activity. However, success at this scale requires adequate bonding capacity to function smoothly.

From the developer's perspective, MaineHousing's bond-financed loan programs are foundational. They provide construction and permanent financing that is stable, predictable, and tailored to the realities of affordable housing underwriting. When those programs face capacity constraints, projects slow down, timelines stretch, and communities wait longer for housing they desperately need.

LD 2127 addresses this challenge responsibly. Raising the moral obligation bond limit is not an expansion of risk to the State. Moral obligation bonds are not general obligation debt, do not carry the full faith and credit of the State, and are not repaid with General Fund dollars. They are supported by mortgage revenues and strong underwriting practices that have made MaineHousing a nationally respected housing finance agency.

Importantly, the pressures driving the need for this adjustment are structural, not temporary. Higher construction costs mean larger loan sizes per unit. Higher home prices mean larger mortgages for first-time buyers. At the same time, elevated interest rates have

sharply reduced mortgage prepayments, slowing the natural retirement of outstanding bonds. These dynamics compound one another and push against an outdated cap.

From WDC's experience delivering LIHTC developments in Westbrook, Biddeford, Windham and other communities, we can say with confidence that MaineHousing's programs are working exactly as intended. Projects are being built, homes are being occupied, and public investments are leveraging private capital efficiently. LD 2127 ensures that this momentum is not interrupted by an artificial constraint that no longer matches the scale of the challenge.

Housing is infrastructure. It supports workforce stability, economic development, educational outcomes, and public health. Ensuring that MaineHousing has sufficient bonding capacity is one of the most practical and fiscally prudent steps the Legislature can take to keep housing production moving forward.

For these reasons, Westbrook Development Corporation urges the Committee to support LD 2127 and allow MaineHousing to continue advancing Maine's housing goals without disruption.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tyler Norod".

Tyler Norod
Director of Real Estate Development